

February 19, 2008

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Securities and Exchange Commission
Office of International Corporate Finance
450 Fifth Street, N.W.
Washington, D.C. 20549
U.S.A.

SUPPL

Attention: Paul Dudek, Esq.

SAFRAN
Rule 12g3-2(b) File No. 82-34974

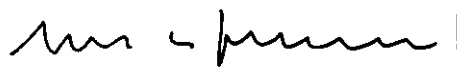
Dear Sirs:

The enclosed information, as set forth in the Annex attached hereto, is being furnished to the Securities and Exchange Commission (the "SEC") on behalf of SAFRAN (the "Company") pursuant to the exemption from the Securities Exchange Act of 1934 (the "Act") afforded by Rule 12g3-2(b) thereunder.

This information is being furnished under paragraph (1) of Rule 12g3-2(b) with the understanding that such information and documents will not be deemed to be "filed" with the SEC or otherwise subject to the liabilities of Section 18 of the Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that the Company is subject to the Act.

If you have any questions with regard to this information or require additional information, please contact the undersigned in Paris at +33 1 40 60 84 28.

Very truly yours,

**PROCESSED** Francis de Raimond

FEB 26 2008

cc: Alain Marcheteau
(Safran)

**THOMSON
FINANCIAL****SAFRAN**

Société anonyme à Directoire et Conseil de surveillance
au capital de 83 405 917 euros - 562082909 RCS Paris
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I. PRESS RELEASES

- ☐ February 14, 2008 – SAFRAN announces 2007 results
- ☐ February 14, 2008 – SAFRAN to supply all landing and braking control systems for the A350XBWB

II. DOCUMENTS PROVIDED TO REGULATORY AUTHORITIES OR STOCK EXCHANGES AND MADE PUBLIC BY SUCH ENTITIES

None

III. DOCUMENTS PROVIDED TO SHAREHOLDERS, PUBLISHED OR MADE AVAILABLE TO THE PUBLIC

- ☐ February 14, 2008 – Analysts review – 2007 annual results

SAFRAN announces 2007 results

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SAFRAN

Paris, February 14, 2008

SAFRAN, the international high-technology group with leadership positions in its core businesses of aerospace propulsion, aircraft equipment, defense & security and communications, today announced its results for the fiscal year ended December 31, 2007. The SAFRAN Group's results were approved by the SAFRAN Executive Board on February 11, 2008, and submitted to the Supervisory Board on February 13, 2008.

The Group's operating income jumped over 50% to €706 million, and net income more than doubled, despite an unfavorable U.S. dollar exchange rate.

2007 key figures

2007 sales €12,003 million:

- 5.9% increase over 2006
- 7% increase to €10.8 billion, excluding the broadband business

2007 operating income €706 million:

- 51.8% increase over 2006
- 5.9% operating margin, exceeding original forecasts

The Group share of net income is €406 million, versus €177 million in 2006:

- Net income for 2007 is more than twice that for 2006

At December 31, 2007, net debt stood at €169 million, versus €419 million a year earlier.

A dividend of 0.40 euro per share will be proposed at the Annual General Meeting of Shareholders.

Chief Executive Officer Jean-Paul Herteman said:

"I am delighted to announce that our Group surpassed its financial objectives for 2007. In addition to a 5.9% increase in sales, already announced, we have posted an operating margin of €706 million, equal to 5.9% of sales, outpacing our initial objective of 5%. This figure also represented an increase of nearly 52% over the previous year. The Group's share of net income stood at €406 million. These results once again demonstrate SAFRAN's ability to resist the impact of fluctuations in the U.S. dollar. We were able to offset this impact through a two-pronged approach, by improving our productivity and through a structural increase in the sale of spare parts, which generate high margins. This performance is also reflected in significant cash generation, resulting in free cash flow of €428 million for 2007. We will propose to the Annual General Meeting of Shareholders a dividend of 0.40 euro per share, in line with our results, our outlook and our policy of a 40% payout."

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SAFRAN consolidated results

All figures in this press release are expressed as adjusted data. To reflect the SAFRAN Group's actual financial performance, SAFRAN draws up, alongside the reported consolidated financial accounts, adjusted financial data, for several reasons:

- To offset in the results the effects of the revaluation of intangible assets occurring due to the Sagem-Snecma merger, and their amortization booked under reported accounts.
- And to integrate in operating results the unwinding of hedges for the period.

Furthermore, in application of IFRS5, the Communications branch's broadband business is classified under divested activities because of its sale achieved early 2008. To enable a comparison of the 2006 and 2007 fiscal years, a column for 2007 was created including Sagem's broadband communications business.

An appendix includes a table comparing the reported accounts and the adjusted data.

| Millions of euros | 2006* | 2007* | Change | 2007** |
|-------------------------------------|-------------|-------------|---------|-------------|
| Sales | 11,329 | 12,003 | + 5.9% | 10,830 |
| Operating income % of sales | 465 4.1% | 706 5.9% | + 51.8% | 663 6.1% |
| Net income from divested operations | | | | 30 |
| Net income – Group share | 177 | 406 | x 2.3 | 406 |
| Net income per share (€) | 0.43 | 0.99 | | 0.99 |
| Net financial debt | 419 | 169 | | |

* includes Sagem communications broadband business

** without Sagem communications broadband business

A solid and geographically diversified backlog of orders

With 5,636 CFM56 engines and 1,944 helicopter engines on order and an increasing share of fleets fitted with SAFRAN landing gear, brakes and nacelles, the Group has consolidated its outlook for the coming years, and increased its share of aviation markets.

In addition, the geographical diversity of the order book gives SAFRAN a very robust business foundation.

Operating income (EBIT)

SAFRAN posted operating income for 2007 of €706 million, compared with €465 million as of Dec.31, 2006, an increase of 52%.

This strong rise in earnings is primarily due to the good profitability of aviation businesses; the continued improvement in productivity and sales of spare parts more than offset the impact of the weak U.S. dollar. Also contributing to these higher earnings was the return to profit of the Defense Security business and a decrease in losses by the Communication business.

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Deliveries of original equipment engines for commercial airplanes and helicopters increased by more than 20% over 2006.

Sales of spare parts posted record growth for the year. The service business now accounts for 44% of Aerospace Propulsion branch sales, and 26% of Aircraft Equipment branch sales.

The Defense Security branch logged dynamic growth in sales, spanning avionics, inertial navigation units, cards and payment terminals.

The communications branch, which experienced another drop in volumes, launched an initiative during the year to recenter its activities.

Earnings by branch

| Millions of euros | | 2006 | 2007 | Change |
|----------------------|------------|--------|--------|--------|
| Aerospace Propulsion | | 561 | 636 | +13% |
| | % of sales | 11.1% | 10.7% | |
| Aircraft Equipment | | 197 | 112 | -43% |
| | % of sales | 7.5% | 4.1% | |
| Defense Security | | (101) | 72 | ns |
| | % of sales | -7.0% | 4.7% | |
| Communications | | | | |
| • Mobile phones | | (181) | (121) | +33% |
| | % of sales | -18.9% | -18.5% | |
| • Broadband | | 5 | 43 | x 8 |
| | % of sales | 0.4% | 3.7% | |

Aerospace Propulsion

For the Aerospace Propulsion branch, the year was characterized by two major factors: strong growth in sales of spare parts, which offer a high margin, and productivity and efficiency improvements at all branch companies that outpaced initial forecasts. Together, these two factors more than offset the impact of a dollar hedging rate that was less favorable (from a rate of €1 = US\$1.11 to \$1.21). The branch's operating income increased more than 13% (or over 60% with a constant dollar).

Aircraft Equipment

During 2007, the Aircraft Equipment branch prepared for the ramp-up of production for several major new aircraft, in particular the nacelles for the A380 super-jumbo jet. Investments in development and production engineering to support sustained production in the coming years weigh temporarily against the branch's operating income.

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Defense Security

The Defense Security branch has swung back to profit, of €72 million, after posting a loss of €101 million in 2006. This result is largely due to the deployment of effective initiatives to improve organization and profitability.

These actions had a positive impact on the avionics business in particular. In the security sector, the card business returned to break-even, and the electronic payment business showed strong growth in sales and financial indicators.

Communications branch

The mobile phone business posted a loss of €121 million in 2007 versus €181 million in 2006. Sales volumes dropped during the year, but 2007 also saw the first positive results of strategic recentering initiatives now under way.

The Broadband business recorded operating income for 2007 of €43 million. This business has been sold to an investment fund, The Gores Group, for €383 million.

Net income

Consolidated net income was €406 million in 2007, compared with €177 million in 2006.

Financial position

Net debt at year-end stood at €169 million, marking a further decrease over net debt at the end of 2006 (€419 million). The Group confirmed its robust financial position.

Dividend

A dividend of 0.40 euro per share, up 82%, will be proposed to the Annual General Meeting of Shareholders on May 28, 2008. This represents a payout of 40%, a level that SAFRAN plans to maintain in the future.

Objectives for 2008

The Group's aerospace, defense and security businesses will continue their growth. Actions to bolster efficiency and productivity will be continued and accelerated, in particular on the international stage. In line with the successful outcome for broadband business, a solution will be provided for the mobile phone business. It should be noted that all expected U.S. dollar flows in 2008 are hedged at a rate of €1 less than or equal to \$1.46.

Under these conditions, the objectives for 2008 are as follows:

- Sales of approximately 11 billion euros, representing growth of 10% at constant size and exchange rates.
- Operating income of approximately €700 million*, due to continued improvement in productivity and an increase in spare parts business.

In general, SAFRAN plans to further develop the very strong synergies between its aerospace, defense and security businesses, and seize all growth opportunities in these sectors.

** Does not include the share of Ingénico earnings, which will be recorded via the equity method in 2008, but does include the estimated capital gain of €100 million from the transfer to Ingénico. Note that in 2007 the business transferred to Ingénico contributed €29 million in operating income.*

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Appendix

Comparison of reported consolidated accounts and adjusted data

| Year ended Dec.31, 2007 (in € millions) | Statutory consolidated statements | Hedge accounting | | Intangible assets depreciation and amortization (3) | Adjusted consolidated statements (excluding Broadband activity) | Broadband activity | Adjusted consolidated statements including Broadband activity |
|-------------------------------------------------------------------------------|-----------------------------------|--------------------------------|---------------------------|-----------------------------------------------------|-----------------------------------------------------------------|--------------------|---------------------------------------------------------------|
| | | revaluation of the revenue (1) | deferred hedge income (2) | | | | |
| Revenue | 10,321 | 392 | 117 | | 10,830 | 1,173 | 12,003 |
| Other operating income / expense | (10,315) | (9) | 0 | 157 | (10,167) | (1,130) | (11,297) |
| Profit (loss) from operations | 6 | 383 | 117 | 157 | 663 | 43 | 706 |
| Net finance costs / income | 31 | (383) | 295 | | (57) | (8) | (65) |
| Income from associates | 4 | | | | 4 | | 4 |
| Income tax expense | (25) | | (140) | (54) | (219) | (5) | (224) |
| Profit (loss) from continuing operations | 16 | 0 | 272 | 103 | 391 | 30 | 421 |
| Profit from discontinued operations | 30 | | | | 30 | (30) | 0 |
| Minority interests | (7) | (5) | | (3) | (15) | | (15) |
| Net profit (loss) for the period attributable to equity holders of the parent | 39 | (5) | 272 | 100 | 406 | | 406 |

(1) Revaluation of sales in currencies less purchases (by currency) at the hedged rate, by restatement of changes in the value of hedges allocated to flows during the period.

(2) Changes in the value of hedges concerning flows for future periods (€295 million excluding taxes), deferred in shareholders' equity and canceling the recovery of unrealized gains at closure of hedging accounts (€117 million excluding taxes), included in consolidated shareholders' equity.

(3) Cancellation of intangible assets amortization/depreciation due to the revaluation of aircraft programs based on the application of the standard IFRS 3 as of April 1, 2005.

Only the reported consolidated accounts are audited by the Group's independent auditors, and the adjusted financial data is subject to checks during the reading of all information provided in the reference document for 2007.

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SAFRAN to supply all landing and braking control systems for the A350XWB

Paris, February 14, 2008 – Airbus has announced its selection of Messier-Bugatti, a SAFRAN Group company, for the design, development, production, integration and support of the electronic and hydraulic landing and braking control systems for its new A350XWB long-range commercial jet.

The contract covers all "ATA32" systems: braking, steering, landing gear extension/retraction, and tire, brake and landing gear monitoring systems.

Messier-Bugatti is the only company in the world capable of offering this type of package solution spanning all landing and braking functions. Its solutions also draw on the overall expertise of the SAFRAN Group, which enable it to offer work packages comprising the system and all equipment needed for a specific function. This contract delivers technological solutions that meet the economic, performance, reliability and environmental requirements of the A350XWB program.

The systems will be designed to fit the different members of the A350XWB family.

With this latest contract, coupled with Messier-Dowty's selection as supplier of the main landing gear, the SAFRAN Group will supply most of the A350XWB's overall landing/braking system. This represents total revenues of 6 billion euros over 20 years, including services.

***SAFRAN** is an international high-technology group with four core businesses: Aerospace Propulsion, Aircraft Equipment, Defense Security, and Communications. It has 57,000 employees in over 30 countries, and annual revenues of 12 billion euros. The SAFRAN Group comprises a number of companies with prestigious brand names, and holds, alone or in partnership, global or European leadership positions in all of its markets.*

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2007 ANNUAL RESULTS

SAFRAN

an international
Technology Leader

Analysts Review
February 14, 2008



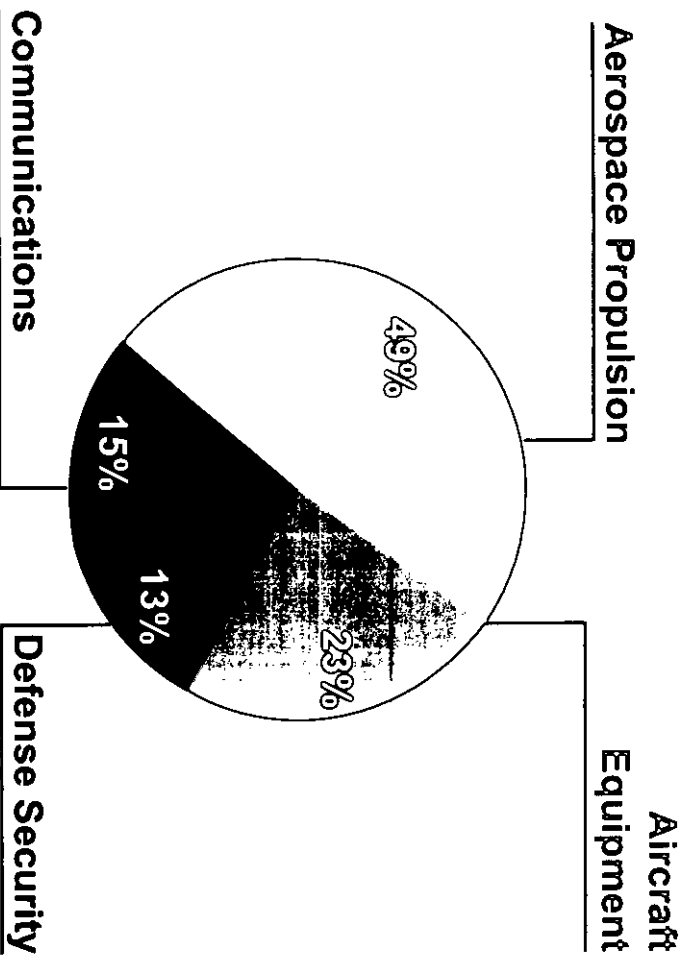
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■ ■ ■ ■ ■ 2007 KEY POINTS

Jean-Paul HERTEMAN
Chief Executive Officer

SALES*: 12 billion euros

At December 31, 2007



| Increase/decrease at constant US\$ | |
|------------------------------------|--------|
| Aerospace Propulsion | +25% |
| Aircraft Equipment | +10% |
| Defense Security | +7% |
| Communications | - 15 % |

| | | | |
|-------|------|------|----------|
| Civil | 82 % | 18 % | Military |
|-------|------|------|----------|

* Adjusted data, including Sagem Communications broadband business

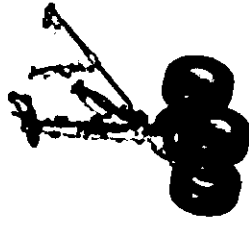
Analysts Review – February 14, 2008

■ ■ ■ ■ ■ 2007 HIGHLIGHTS



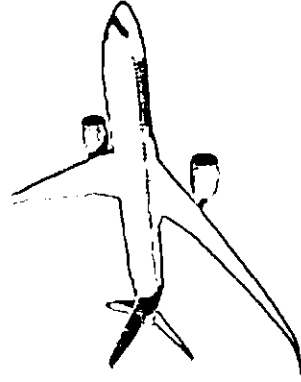
CFM56 running on biofuel

- ▷ Very strong growth in sales of commercial airplane and helicopter engines, for both original equipment and spares
- ▷ Successful first test of a CFM56 engine running on biofuel, and validation of our differentiating noise reduction technologies



Boeing 787 landing gear

- ▷ First carbon brake contracts for the Boeing 737
- ▷ Certification deadlines met for our equipment on the B787 (landing gear, wiring, wheels and brakes)



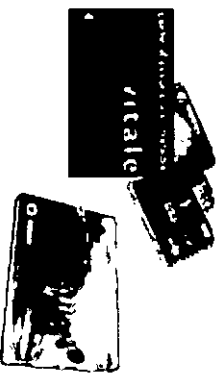
- ▷ A350: SAFRAN selected to provide main landing gear and landing/braking control systems

2007 HIGHLIGHTS

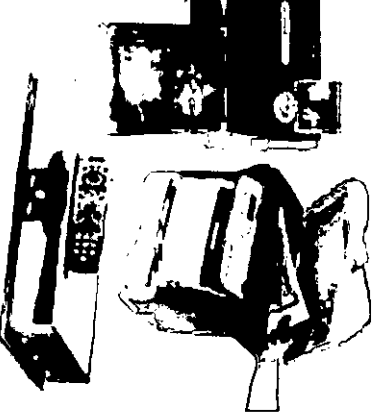


AASM

- ▷ Technical qualification of the first version of the AASM air-to-ground missile



- ▷ Smart card business swings back to the black in May 2007 following restructuring

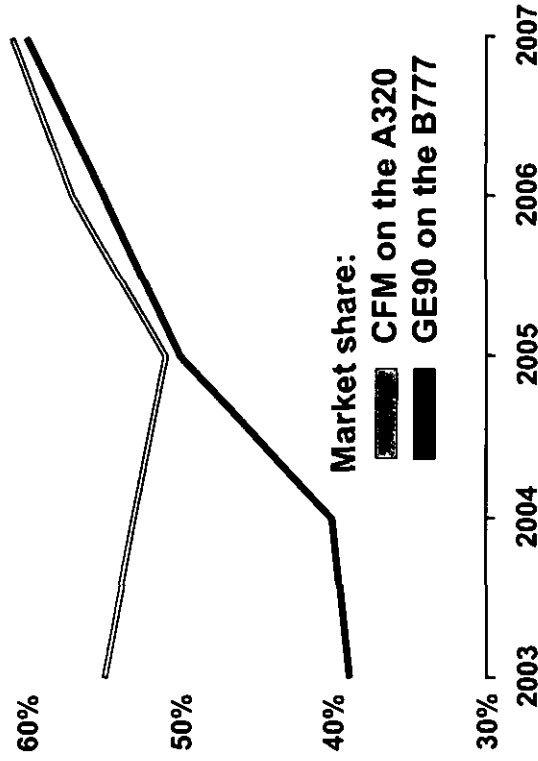


- ▷ Sale of Sagem Communications broadband business to The Gores Group finalized on January 25, 2008, for an enterprise value of €383 million

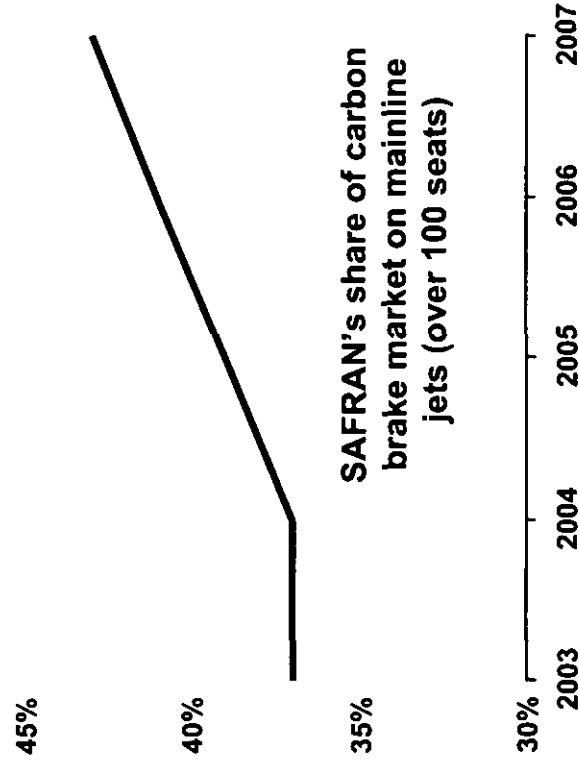
SOLID BACKLOG OF ORDERS

Market shares on the rise

Yearly changes in market share
Deliveries per year



Growth in share of fleet
with SAFRAN systems/equipment

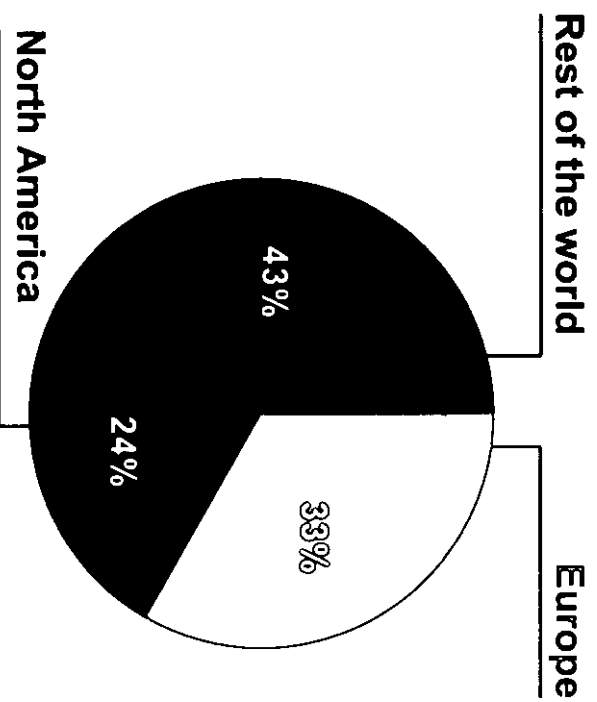


CFM is the exclusive powerplant on the B737

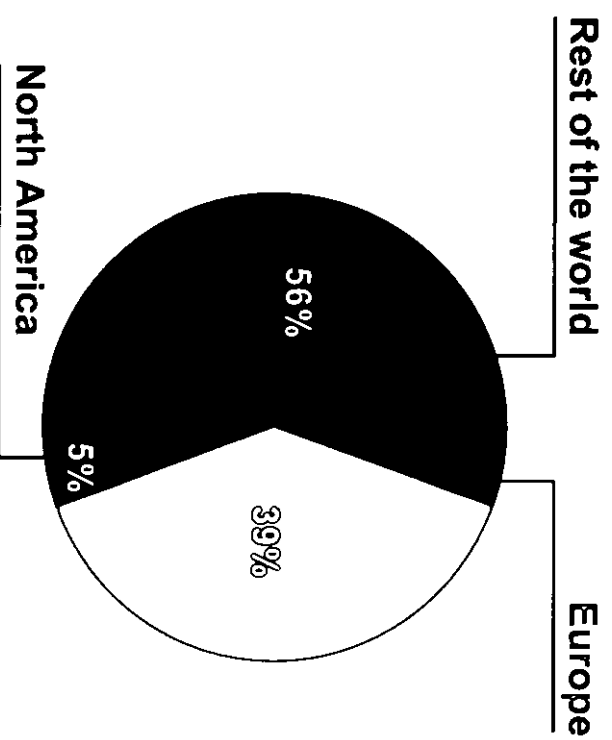
SOLID BACKLOG OF ORDERS

Moderate exposure to U.S. market

5,636 engines CFM on order,
34% more than in 2006



Aircraft fitted with
SAFRAN brakes, by region



■■■■ SERVICES

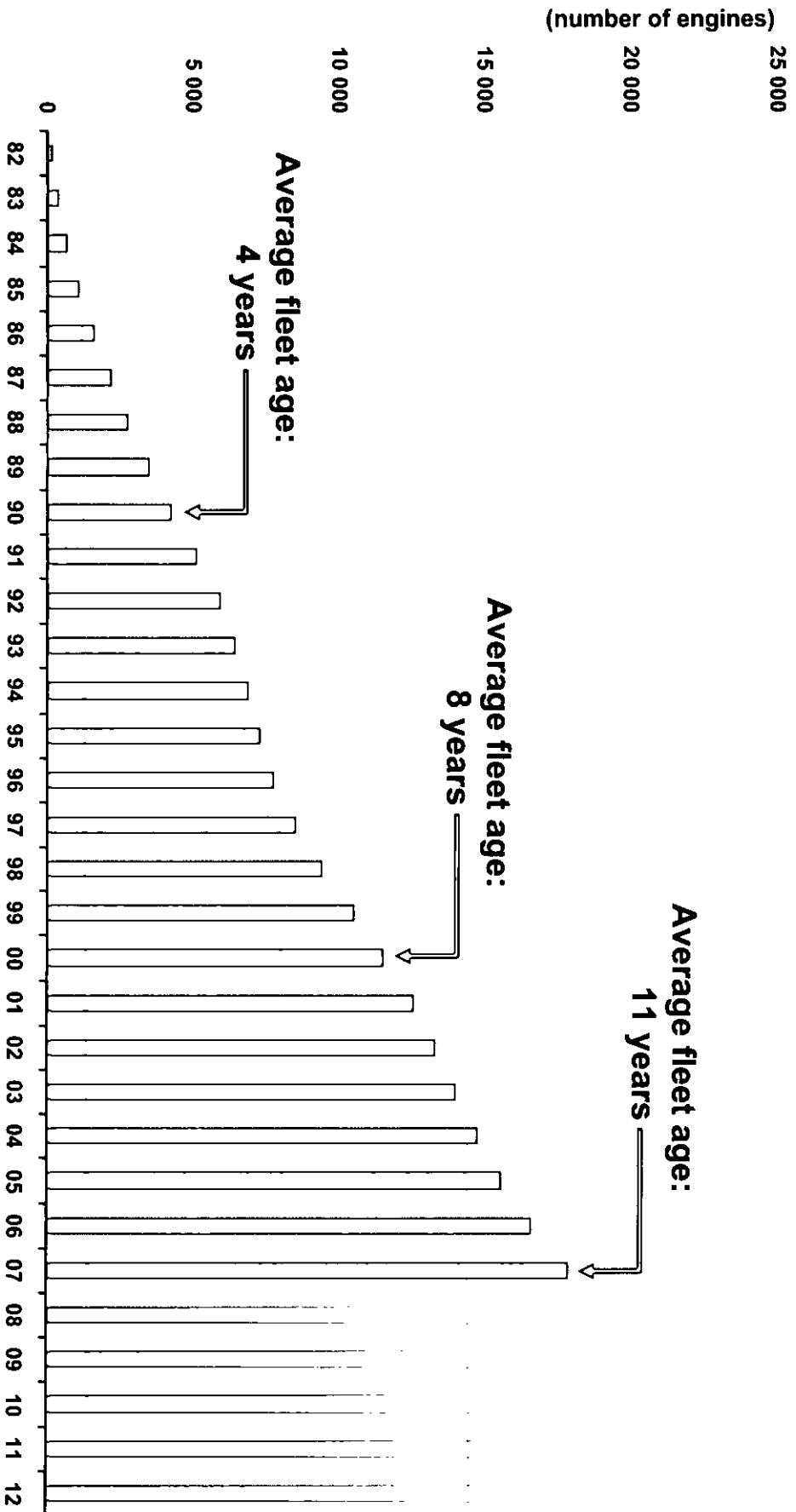
Strong growth driver, profitable and sustainable

- ▷ **There is a large installed base of commercial aircraft engines (17,300 CFM), and helicopter engines (14,000), which are set to grow 25% and 35%, respectively, in the next five years**

- ▷ **These revenues are protected:**
 - **Turbomeca directly performs 95% of the services needed for its engines**
 - **Impact of PMA parts on CFM will be limited: this risk was identified and covered very early by SAFRAN and GE**

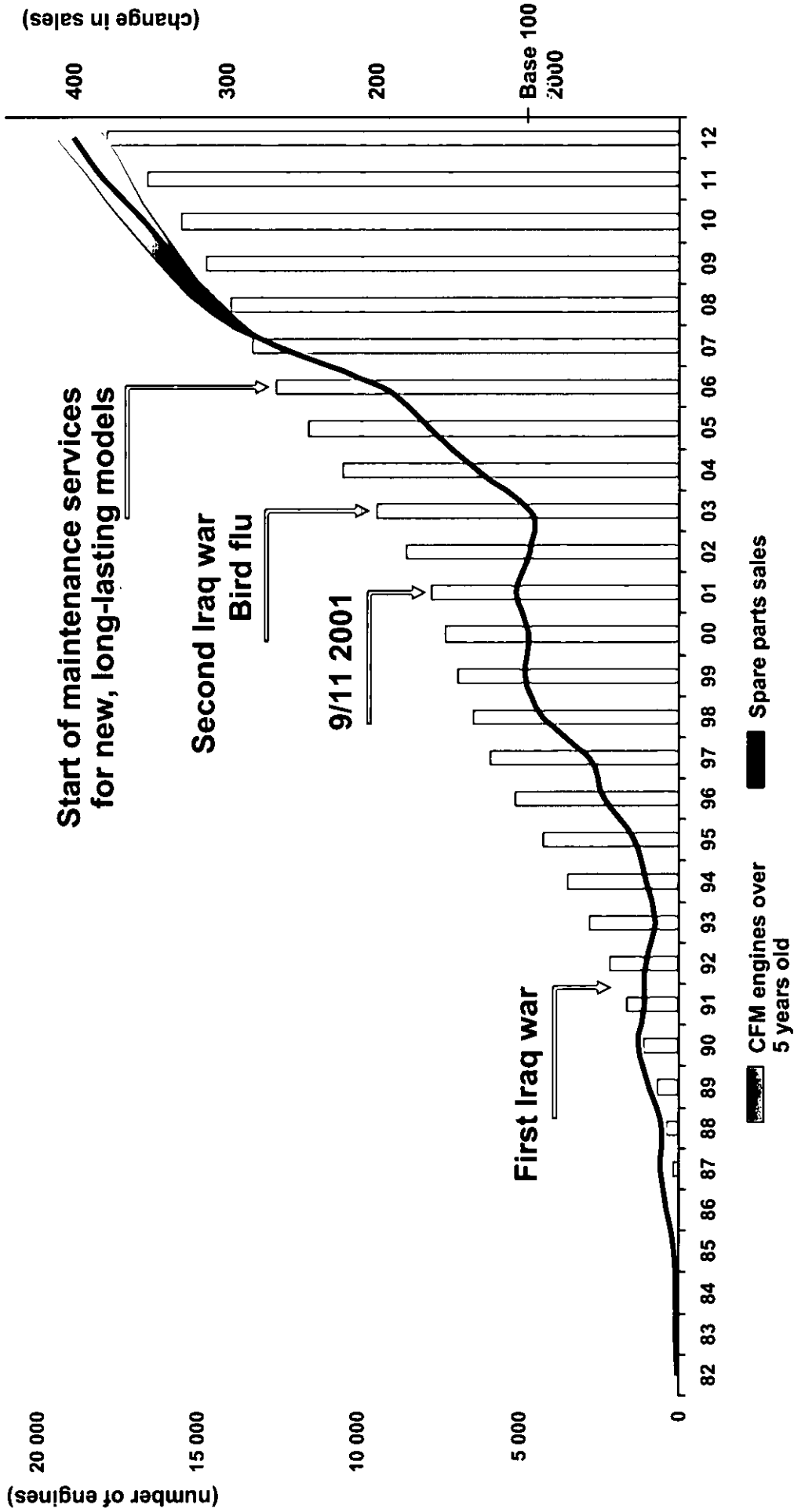
SERVICES

CFM installed base



SERVICES

Sustained growth



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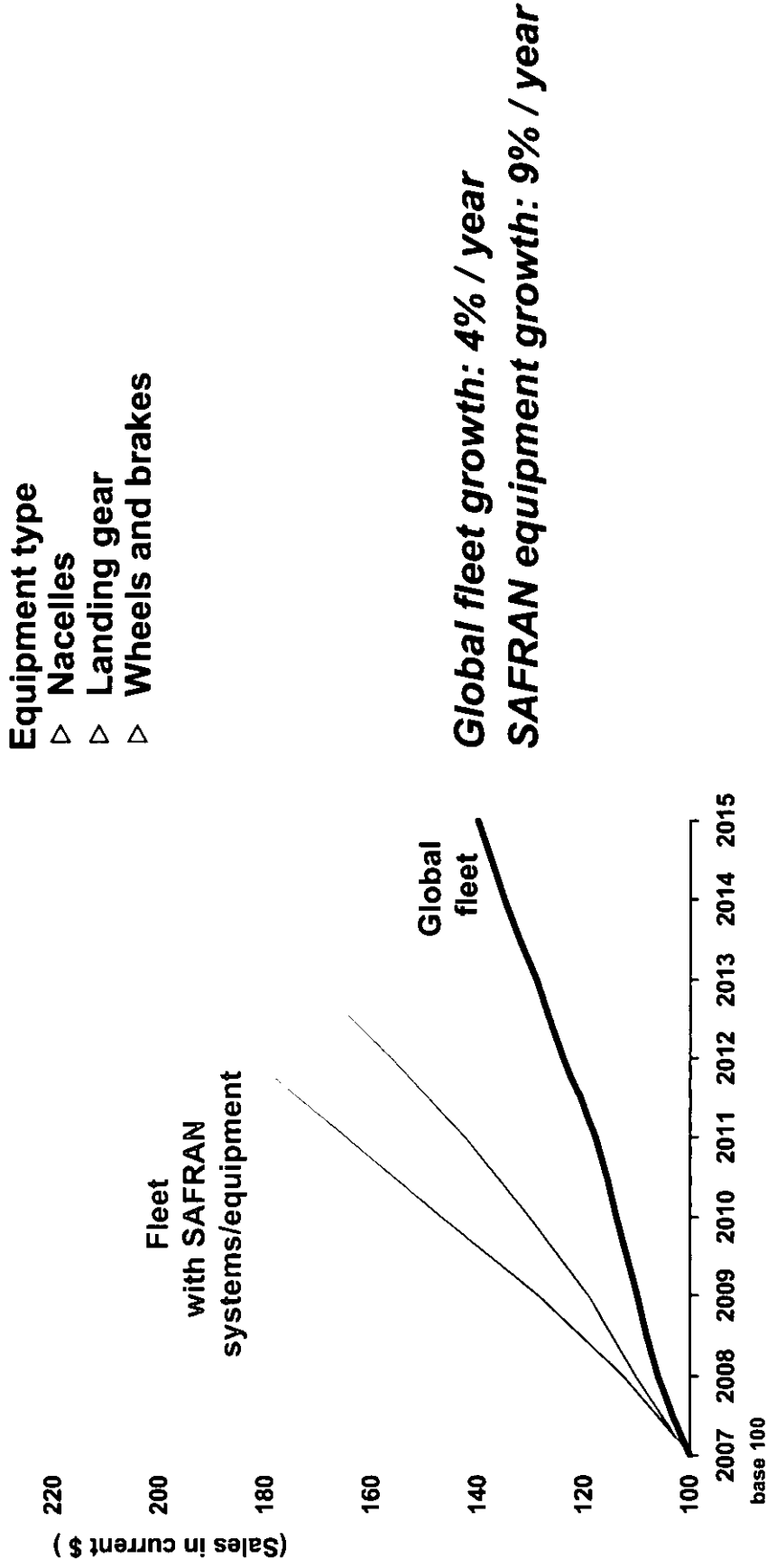
■■■■ SERVICES

PMA impact still limited

- ▷ Today, PMA parts have a 3% share of the CFM market
- ▷ Action plan already well under way:
 - Patents (200 patents filed by Snecma in 2006, 230 in 2007; a portfolio of 4,500 patents)
 - Development of service business directly and in partnership with GE, to decrease the market open to PMA
 - Improvement kits available with patented parts
 - Increase awareness by leasing firms/insurance companies/banks

SAFRAN SERVICES

Strong growth for aircraft equipment



■ 2007 FINANCIAL RESULTS AS OF DECEMBER 31, 2007

Noël GAUTHIER

Executive Vice President
and Chief Financial Officer

STATEMENT OF INCOME *

| <i>(millions of euros)</i> | 2006 | 2007 ** | Change |
|-------------------------------------|--------|---------|--------|
| Sales | 11,329 | 12,003 | +5.9% |
| Operating income (EBIT) | 465 | 706 | +51.8% |
| Financial income | 4.1% | 5.9% | |
| Taxes | (78) | (65) | |
| Minority interests and other | (199) | (224) | |
| Net income – Group share | (11) | (11) | |
| | 177 | 406 | |
| Net profit per share (€) | 0.43 | 0.99 | |

* Adjusted data

** Includes Sagem Communications broadband business to make 2006 and 2007 comparable

Analysts Review – February 14, 2008



REPORTED - ADJUSTED ACCOUNTS

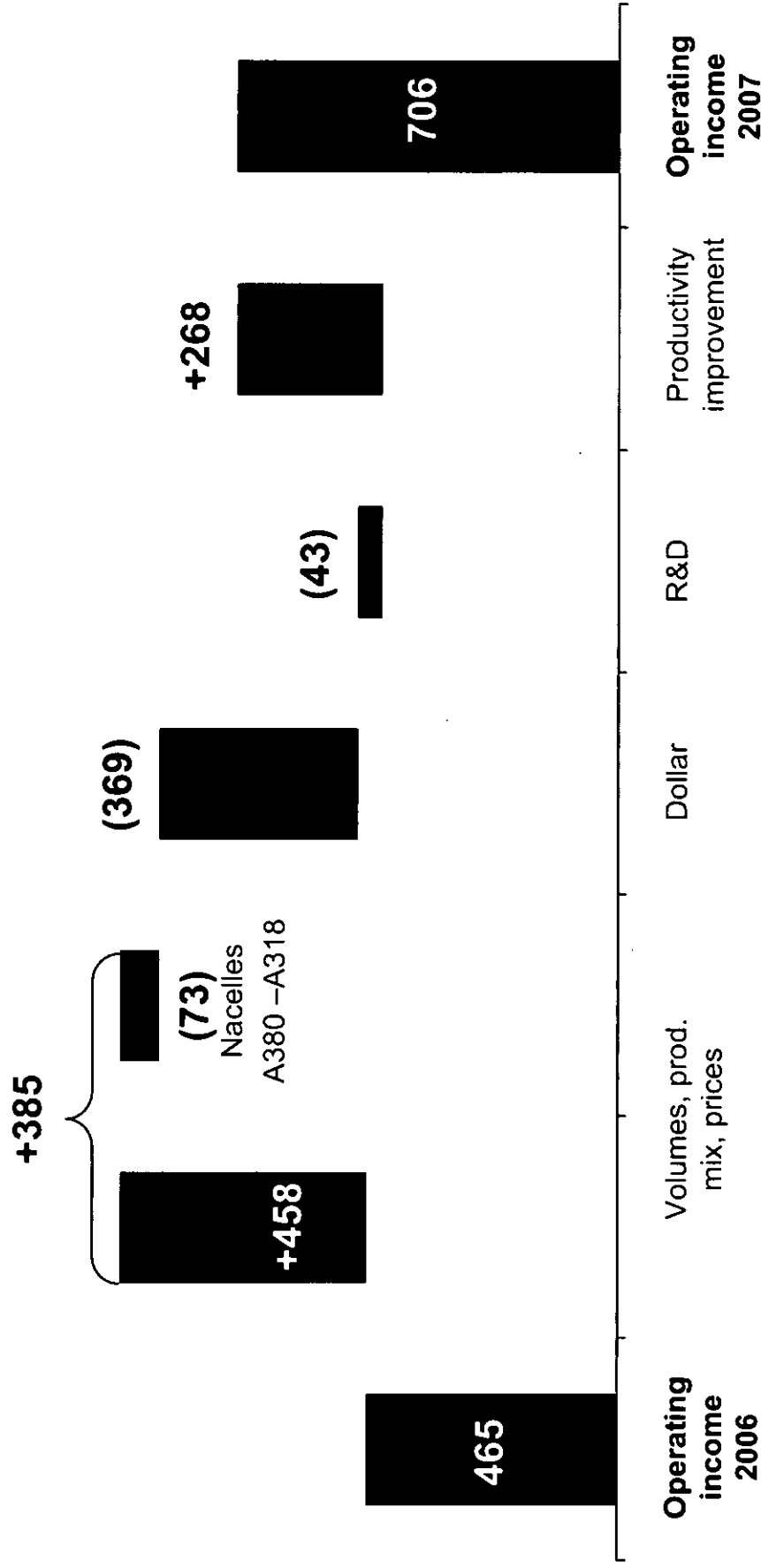
| At December 31, 2007 (millions of euros) | Reported consol. accounts | Hedging | | | | Amortization of intangible assets | Adjusted data | Broadband business | 2007 including Broadband |
|---------------------------------------------|---------------------------------|-----------------|-----------------------------------|------------------------------------|------|-----------------------------------------|------------------|-----------------------|--------------------------------|
| | | Rate covered | Change in derivative values | Amortization of OCI reserves | | | | | |
| Sales | 10,321 | 392* | | 117 | | 10,830 | 1,173 | 12,003 | |
| Operating income | 6 | 383* | | 117 | 157 | 663 | 43 | 706 | |
| Financial income | 31 | (383) | 295 | | | (57) | (8) | (65) | |
| Taxes | (25) | | (100) | (40) | (54) | (219) | (5) | (224) | |
| Net income from divested businesses | 30 | | | | | 30 | (30) | | |
| Income from minority interests and other | (3) | (5) | | | (3) | (11) | | 11 | |
| Net income (Group share) | 39 | (5) | 195 | 77 | 100 | 406 | | 406 | |

* +392 million euros in sales and +9 million euros in purchases

Analysts Review – February 14, 2008

COMPARISON OF OPERATING INCOME, 2006 – 2007 *

(millions of euros)



* Adjusted data including Sagem Communications broadband business

Analysts Review – February 14, 2008

RESEARCH & DEVELOPMENT *

| <i>(millions of euros)</i> | | 2006 | 2007** |
|-------------------------------------|--|-------|--------|
| Self-financed R&D | | 865 | 887 |
| ▷ Operating expenses | | 581 | 687 |
| ▷ Capitalized (gross) | | 284 | 200 |
| R&D recorded as expenses | | 746 | 789 |
| ▷ Operating expenses | | 581 | 687 |
| ▷ Amortization/depreciation | | 165 | 102 |
| Capitalized R&D | | 119 | 98 |
| ▷ Capitalized (gross) | | 284 | 200 |
| ▷ Amortization/Depreciation | | (165) | (102) |

* Adjusted data

** Including Sagem Communications broadband business

Analysts Review – February 14, 2008

■ ■ ■ ■ ■ USD HEDGING PORTFOLIO

▷ 2007

- US\$4,663 M / EURO at a rate of €1 = US\$1.21
- US\$162 M / GBP at a rate of €1 = GBP1.75
- US\$137 M / CAD at a rate of €1 = CAD1.18

▷ Hedging portfolio at Dec. 31, 2007:

- US\$5,217 million

at an average rate for the EUR/USD tranche of $€1 \leq \text{US\$}1.46$

FREE CASH FLOW *

| <i>(millions of euros)</i> | 2006 | 2007** |
|----------------------------------------|-------|--------|
| Cash flow | 1,003 | 1,221 |
| Change in working capital requirements | (149) | (116) |
| Intangible investments | (343) | (266) |
| CAPEX | (346) | (411) |
| Free cash flow | 165 | 428 |

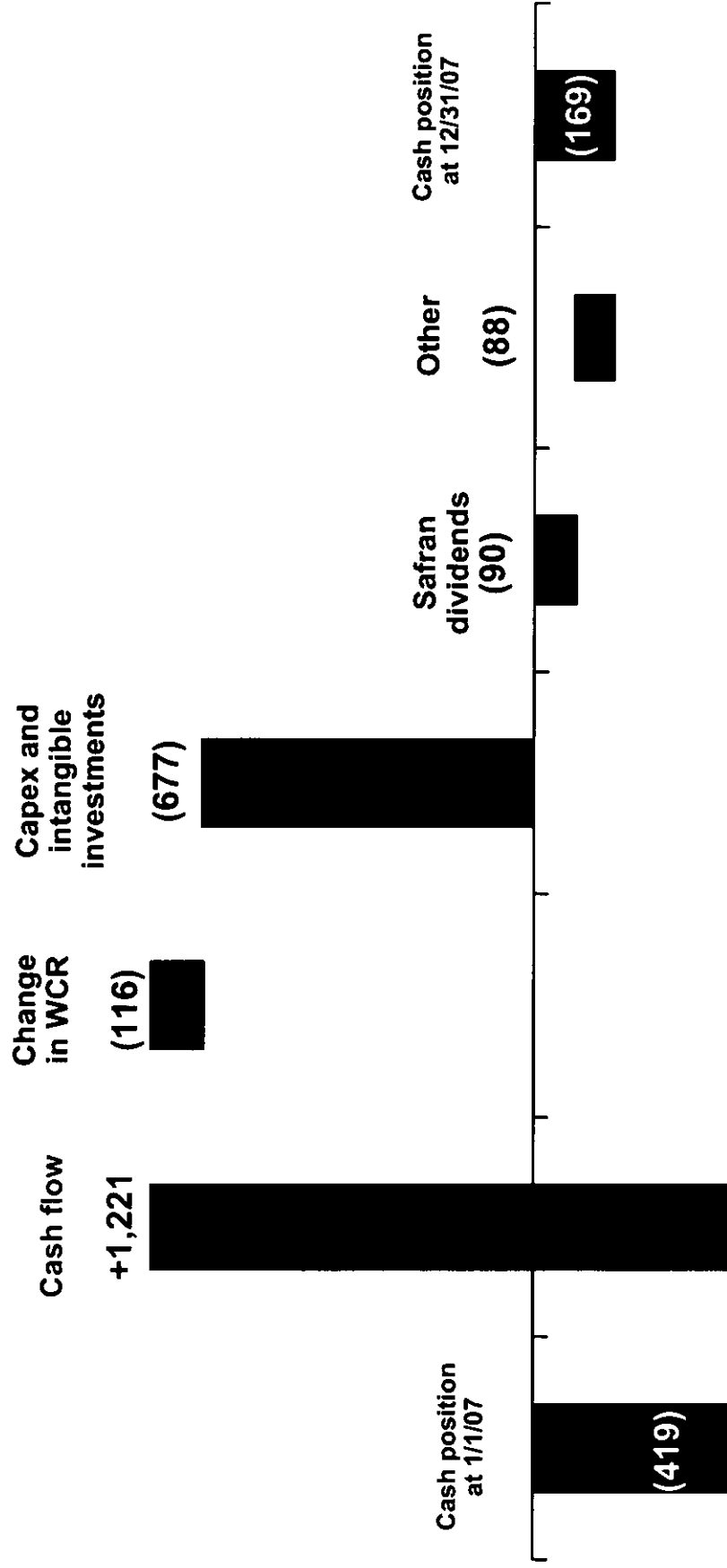
* Adjusted data

** including Sagem Communications broadband business

Analysts Review – February 14, 2008

CHANGE IN CASH POSITION

(millions of euros)



RESULTS BY BRANCH *

| <i>(millions of euros)</i> | | 2006 | 2007 | Change |
|-----------------------------|------------|-----------------|-----------------|--------|
| AEROSPACE PROPULSION | | | | |
| ▷ Sales | | 5,073 | 5,920 | +17% |
| ▷ Operating income | % of sales | 561 11.1% | 636 10.7% | +13% |
| AIRCRAFT EQUIPMENT | | | | |
| ▷ Sales | | 2,644 | 2,703 | +2% |
| ▷ Operating income | % of sales | 197 7.5% | 112 4.1% | -43% |
| DEFENSE SECURITY | | | | |
| ▷ Sales | | 1,445 | 1,548 | +7% |
| ▷ Operating income | % of sales | (101) -7.0% | 72 4.7% | ns |
| Mobile phones | | | | |
| ▷ Sales | | 958 | 656 | -32% |
| ▷ Operating income | % of sales | (181) -18.9% | (121) -18.5% | ns |
| Broadband | | | | |
| ▷ Sales | | 1,209 | 1,173 | -3% |
| ▷ Operating income | % of sales | 43 0.4% | 43 3.7% | ns |

* Adjusted data

Analysts Review – February 14, 2008

AEROSPACE PROPULSION *

| <i>(millions of euros)</i> | 2006 | 2007 | Change | Change at constant \$ |
|-----------------------------------|-------|--------------|--------|--------------------------|
| Sales | 5,073 | 5,920 | +16.7% | +25.2% |
| Operating income | 561 | 636 | +13.4% | +60.7% |
| % of sales | 11.1% | 10.7% | | |
| Self-financed R&D | 334 | 401 | +67 | |
| <i>of which capitalized (net)</i> | 74 | 5 | (69) | |
| CAPEX | 181 | 194 | +13 | |
| Free cash flow | 419 | 579 | +160 | |

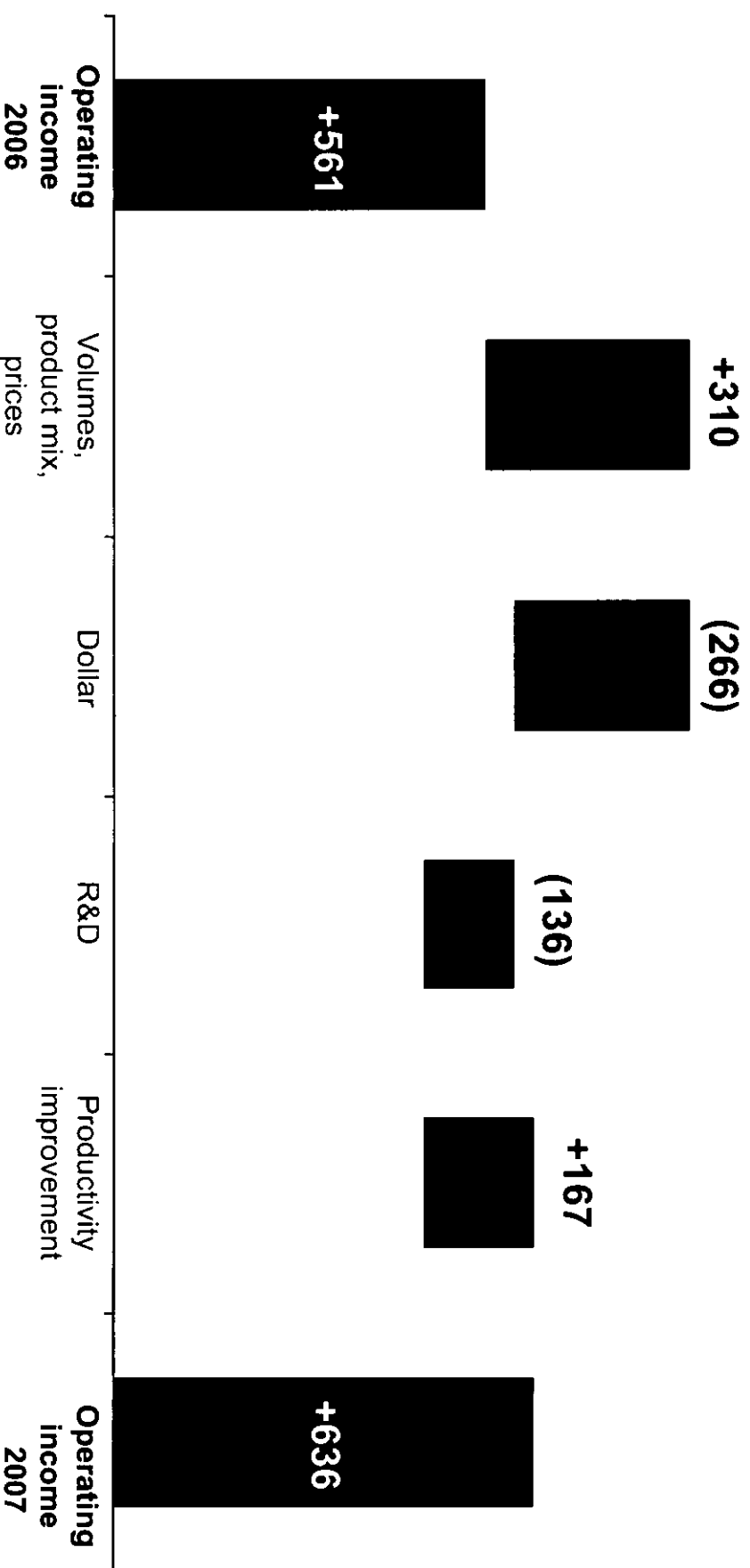
* Adjusted data

Analysts Review – February 14, 2008

AEROSPACE PROPULSION

COMPARISON OF OPERATING INCOME, 2006 - 2007 *

(millions of euros)



* Adjusted data

Analysts Review – February 14, 2008

AEROSPACE PROPULSION *

RESEARCH & DEVELOPMENT

| <i>(millions of euros)</i> | 2006 | 2007 |
|-------------------------------------|------------|------------|
| Self-financed R&D | 334 | 401 |
| ▷ Operating expenses | 240 | 317 |
| ▷ Capitalized (gross) | 94 | 84 |
| R&D recorded as expenses | 260 | 396 |
| ▷ As operating expenses | 240 | 317 |
| ▷ Amortization/Depreciation | 20 | 79 |
| Capitalized R&D | 74 | 5 |
| ▷ Capitalized (gross) | 94 | 84 |
| ▷ Amortization/Depreciation | (20) | (79) |

* Adjusted data

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AIRCRAFT EQUIPMENT *

| <i>(millions of euros)</i> | 2006 | 2007 | Change | Change at constant \$ |
|------------------------------|-------|--------------|--------|--------------------------|
| Sales | 2,644 | 2,703 | +2.2% | +9.5% |
| Operating income | 197 | 112 | -43.3% | +7.5% |
| % of sales | 7.5% | 4.1% | | |
| Self-financed R&D | 234 | 204 | (30) | |
| of which capitalized (net) | 98 | 98 | 0 | |
| CAPEX | 65 | 128 | 63 | |
| Free cash flow | (51) | (171) | (120) | |

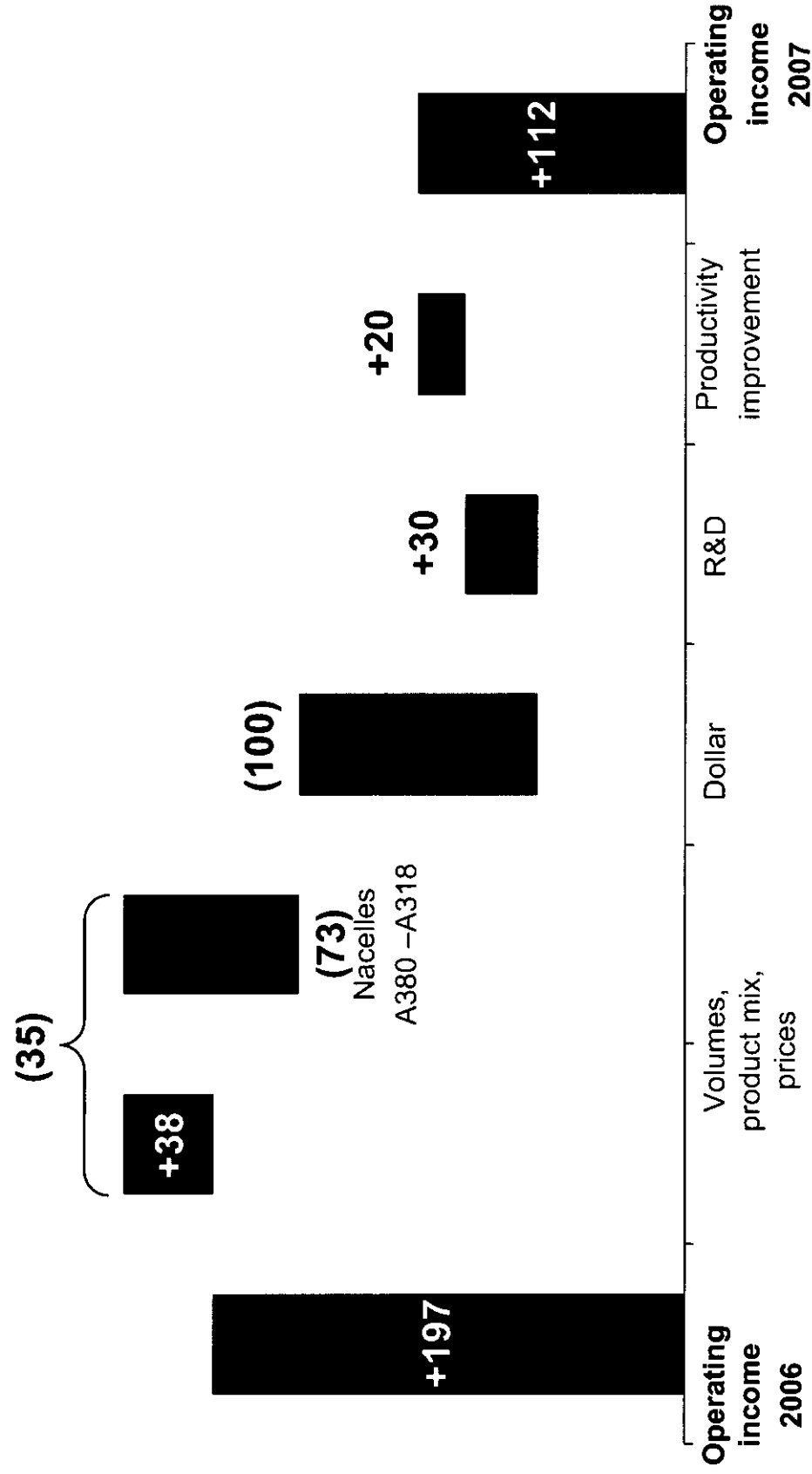
* Adjusted data

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AIRCRAFT EQUIPMENT

COMPARISON OF OPERATING INCOME 2006 – 2007 *

(millions of euros)



* Adjusted data

Analysts Review – February 14, 2008

AIRCRAFT EQUIPMENT *

RESEARCH & DEVELOPMENT

| <i>(millions of euros)</i> | 2006 | 2007 |
|-------------------------------------|------------|------------|
| Self-financed R&D | 234 | 204 |
| ▷ Operating expenses | 109 | 103 |
| ▷ Capitalized (gross) | 125 | 101 |
| R&D recorded as expenses | 136 | 106 |
| ▷ Operating expenses | 109 | 103 |
| ▷ Amortization/Depreciation | 27 | 3 |
| Capitalized R&D | 98 | 98 |
| ▷ Capitalized (gross) | 125 | 101 |
| ▷ Amortization/Depreciation | (27) | (3) |

* Adjusted data

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DEFENSE SECURITY *

| <i>(millions of euros)</i> | 2006 | 2007 | Change |
|------------------------------|-------|--------------|--------|
| Sales | 1,445 | 1,548 | +7.1% |
| Operating income | (101) | 72 | +173 |
| % of sales | -7.0% | 4.7% | |
| Self-financed R&D | 103 | 120 | +17 |
| of which capitalized (net) | (7) | 1 | +8 |
| CAPEX | 63 | 57 | (6) |
| Free cash flow | 53 | (8) | (61) |

* Adjusted data

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DEFENSE SECURITY *

RESEARCH & DEVELOPMENT

| <i>(millions of euros)</i> | 2006 | 2007 |
|-------------------------------------|------------|------------|
| Self-financed R&D | 103 | 120 |
| ▷ Operating expenses | 94 | 117 |
| ▷ Capitalized (gross) | 9 | 3 |
| R&D recorded as expenses | 110 | 118 |
| ▷ Operating expenses | 94 | 117 |
| ▷ Amortization/Depreciation | 16 | 1 |
| Capitalized R&D | (7) | 2 |
| ▷ Capitalized (gross) | 9 | 3 |
| ▷ Amortization/Depreciation | (16) | (1) |

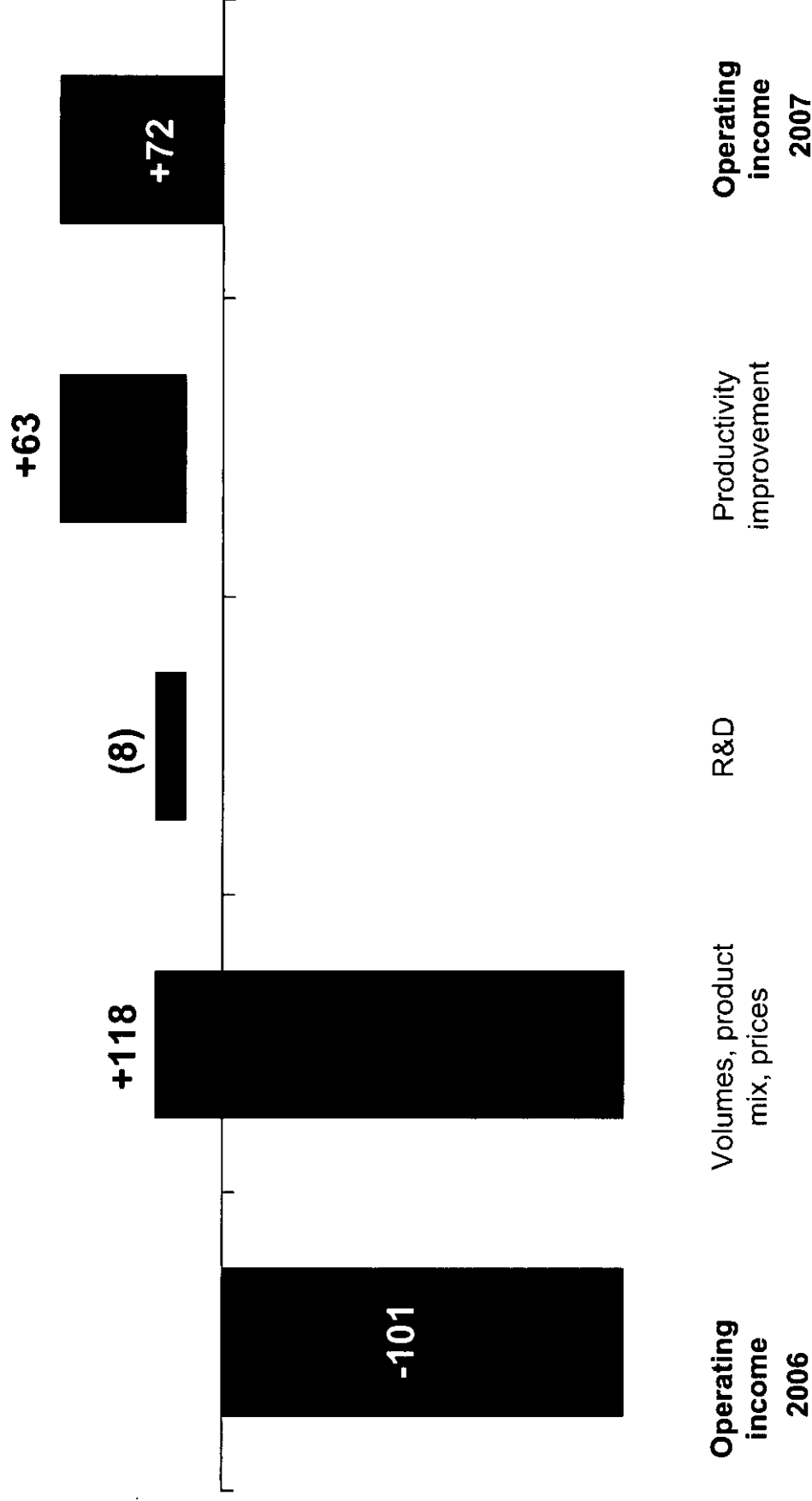
* Adjusted data

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DEFENSE SECURITY *

COMPARISON OF OPERATING INCOME 2006 - 2007

(millions of euros)



* Adjusted data

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Mobile phones *

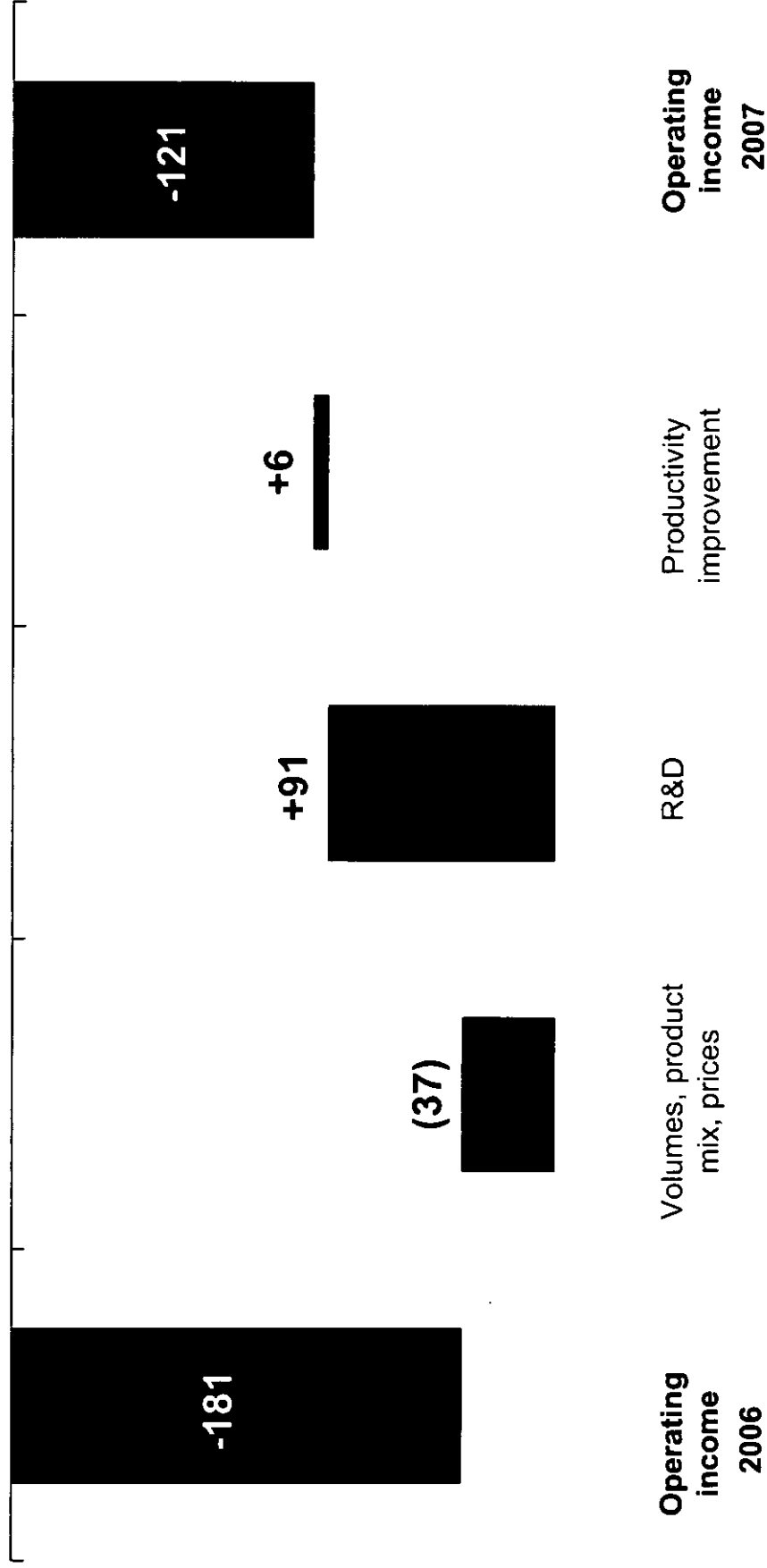
| <i>(millions of euros)</i> | 2006 | 2007 | Change |
|--------------------------------|-------|--------------|--------|
| Sales | 958 | 656 | -31.2% |
| Operating income (loss) | (181) | (121) | +60 |
| Self-financed R&D | 110 | 71 | (39) |

* Adjusted data

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Mobile phones *

(millions of euros)



* Adjusted data

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BALANCE SHEET AT DECEMBER 31, 2007 **(millions of euros)**

| ASSETS | | LIABILITIES & SHAREHOLDERS' EQUITY | |
|-------------------------------------|---------------|---------------------------------------------------|---------------|
| Goodwill | 1,561 | Shareholders' equity | 4,505 |
| Fixed assets | 4,828 | Provisions | 2,185 |
| Other assets | 488 | Debts subject to specific conditions | 590 |
| Fair value of financial instruments | 126 | Interest-bearing liabilities | 899 |
| Inventories (net) | 3,420 | Other liabilities | 841 |
| Customers and other | 4,243 | Suppliers and other | 6,703 |
| Cash and cash equivalent | 730 | | |
| Assets to be divested | 779 | Liabilities to be divested | 452 |
| TOTAL ASSETS | 16,175 | TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 16,175 |

■ ■ ■ ■ ■ DIVIDENDS

| | 2005 | 2006 | 2007 |
|------------------------------------|------|------|-------|
| Net income (€ millions) | 501 | 177 | 406 |
| Total dividend (€ millions) | 148 | 90 | 164* |
| Dividend per share (€) | 0.36 | 0.22 | 0.40* |
| Pay out | 29% | 50% | 40% |

***On proposal by the Executive Board and in line with its strategy, the distribution of a dividend of 0.40 euro per share, to be paid on June 4, 2008 will be submitted to the Annual General Meeting of Shareholders on May 28, 2008**

■ ■ ■ ■ ■ **OUTLOOK**

Jean-Paul HERTEMAN
Chief Executive Officer

AN EFFECTIVE IMPROVEMENT PLAN

- ▷ **2007: 268 million euros of net savings in operating income**

- ▷ **Improvement will accelerate from 2008 to 2010, mainly due to the development in the dollar zone and emerging zone of:**
 - **our industrial operations**
 - **our purchasing**

NEW FACILITIES IN INTERNATIONAL MARKETS

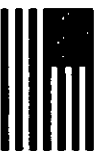
9 new sites or expanded sites in 2008
more than €130 M in investments and 2,400 people



MEXICO

Chihuahua

Aircraft wiring



USA

Monroe, NC
Walton, KY

Production of Arriel engines
Brake machining and assembly



CHINA

Guiyang
Suzhou
Suzhou

Turbine blade precision casting
Landing gear component machining
Turbine shaft machining



INDIA

Noida

New of smart card plant



MOROCCO

Casablanca

Composite parts for nacelles



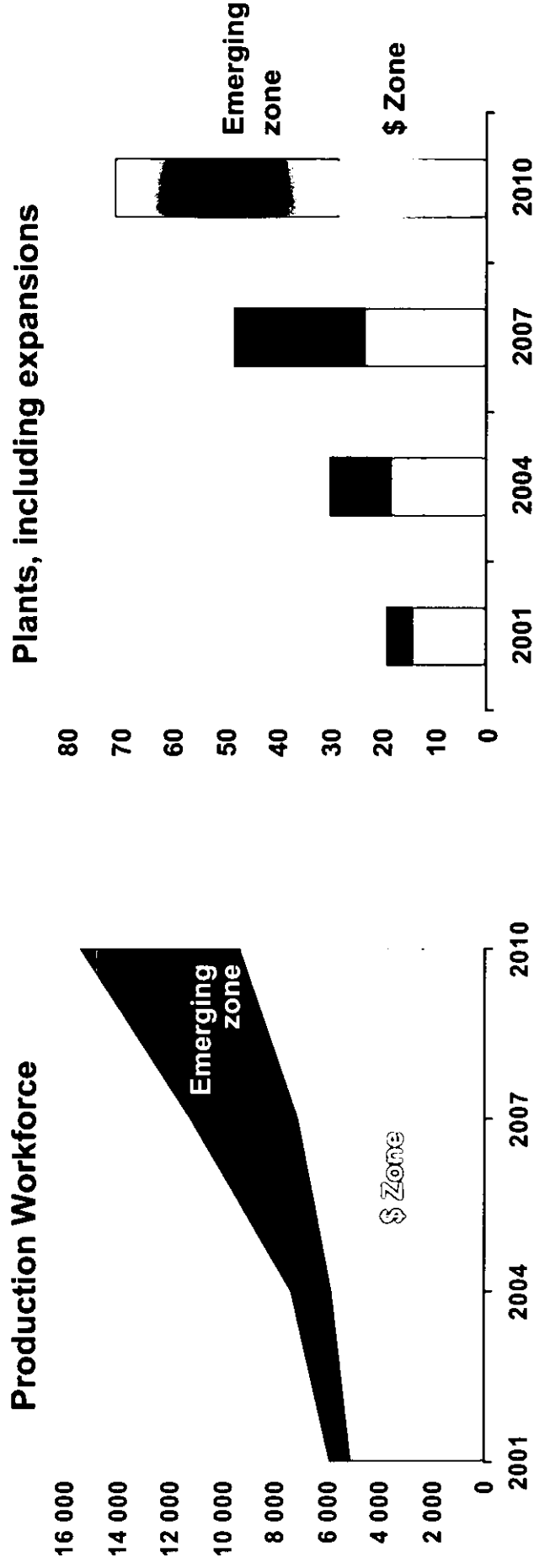
POLAND

Rzeszow

Machining of structural parts



■■■■ GROWTH IN DOLLAR ZONE & EMERGING ZONE

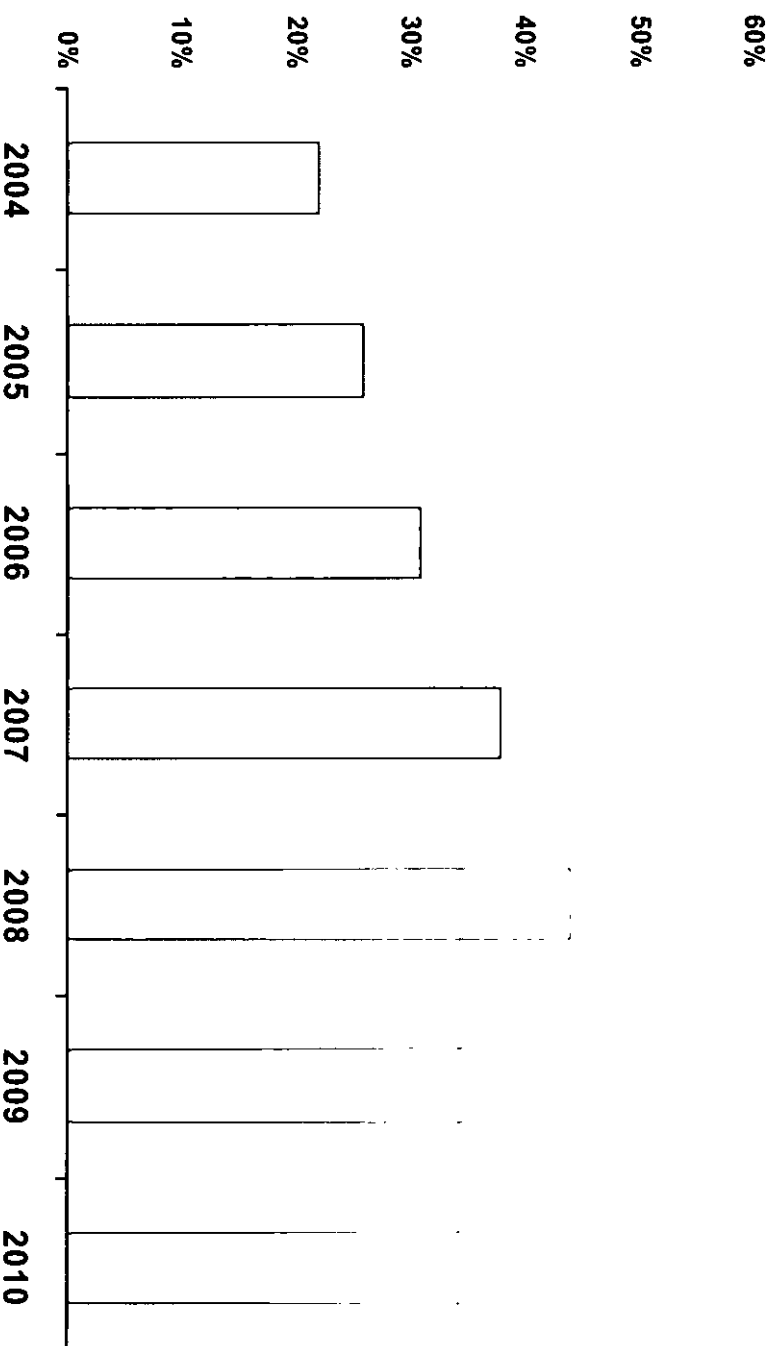


- ▷ \$ Zone: USA, Canada, Mexico
- ▷ Emerging countries: China, India, Morocco, Poland, Russia, Brazil, etc...
- ▷ Plants in 2010, including current and planned sites, expansion projects and new facilities under study

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COST “DOLLARIZATION”

SAFRAN production purchases in \$ and emerging zones



Share of purchases in dollar and emerging zones (constant dollar)

2008 OBJECTIVES

- ▷ **11 billion euros in sales**
 - Increase of 10% at constant size and exchange rates

- ▷ **700 million euros* in operating income**
 - Significant increase in productivity and spare business
 - US dollar hedged at \leq \$1.46

* Includes capital gain on the transfer of the electronic payment business to Ingenico, estimated at €100m, but does not include the share of Ingenico earnings, which will be accounted for by the equity method

■ ■ ■ ■ ■ OUTLOOK

- ▷ Accelerate productivity improvements and international development
- ▷ Settle the question of the mobile phone business in 2008
- ▷ Strong organic growth for aircraft equipment and security
- ▷ Acquisitions if timely opportunities, especially for aircraft equipment and security

END